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Department of Water
and Water Supply
Albany, NY

MINUTES OF MEETING
ALBANY MUNICIPAL WATER FINANCE AUTHORITY
December 16, 2009

A meeting of the Albany Municipal Finance Authority was called to order at 8:00 a.m., Chairman Gardner Lerner presiding.

Members in Attendance: Michael Nardolillo, Michael Hall, Reverend Edward Smart and Patricia Shultis.

Also Present: William Kahn, UHY Advisors, Inc.; Rene Bult, Water Department; Robert Hennes, Johnson Illington Advisors, LLC; Bradford Burns, Assistant Corporation Counsel and Daniel Hershberg, Hershberg & Hershberg and Charles Homemeyer, Fraser and Associates.

Approval of Previous Minutes – Minutes of the September 30, 2009 meeting were approved.

Treasurers Report – Year to date revenues is 1% over budgeted amount.

Investment Income is about \$41,000 lower than the year to date budgeted amount. Year to date interest is \$35,900 lower than 2008.

Operating Expenses are where they should be.

Capital Projects – Melrose Avenue Storm Water Storage Project and Rose Court Recharge Basins have both been completed. The installation of sewer pipe at Washington Avenue and North Pine Street and Melrose Street and Rose Court both came in at budget.

Old Business

Report on Potential Refunding of 2003 Bond Issue – Now is a favorable time to do the refunding while interest rates are low.

Backwater Valve Grant Program – The program has been extended until 2011. The number of applications approved to date is 217 with 4 more are pending.

Hudson River Long-Term Control Plan – Grants and Federal Government monies will be needed to fund the project.

New Business

Report of Investment Manager – Mr. Hennes reported CD investment time is 3 months. CD's are yielding 0.17% versus 3 month Treasury Notes at .01%. He believes that inflation has been subdued, recovery is robust and capital markets are encouraging. The future looks relatively good and he expects things to bounce back in the middle of 2010.

Report on Board/Authority 2009 Cash Flow and Financial Trends – Members reviewed and discussed cash flow and other financial information.

The following resolutions were adopted:

Resolution No. 09-06 – A motion was made by Reverend Smart to accept the resolution adopting the Internal Control Policies for the Department of Water and Water Supply. The resolution passed unanimously.

Resolution No. 09-07 – Resolution authorizing that a Request for Proposals (RFP) be issued to find a financial advisor for the purpose of researching bond opportunities. The voting results of the resolution were (4) Yes and (1) No. Resolution passed.

Resolution No. 09-08 – Approval of 2010 Budget Report Pursuant to the New York State Public Authorities Law. The resolution passed unanimously.

Next Meeting – Wednesday, March 17, 2010.

Adjournment – The meeting adjourned at 9:05 a.m.

Respectfully submitted
Patricia Shultis